



Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice, request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, with revision, the Application to Become a Savings and Loan Holding Company or to Acquire a Savings Association or Savings and Loan Holding Company (FR LL-10(e); OMB No. 7100-0336).

DATES: Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments, identified by FR LL-10(e), by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: regs.comments@federalreserve.gov. Include the OMB number or FR number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request. Accordingly, comments will not be edited to remove any confidential business information, identifying information, or contact information. Public comments may also be viewed electronically or in paper in Room M-4365A, 2001 C St NW Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make

an appointment to inspect comments. You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

During the comment period for this proposal, a copy of the proposed PRA OMB submission, including the draft reporting form and instructions, supporting statement, and other documentation, will be made available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above. Final versions of these documents will be made available at <https://www.reginfo.gov/public/do/PRAMain>, if approved.

Request for Comment on Information Collection Proposal

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

Proposal under OMB Delegated Authority to Extend for Three Years, With Revision, the Following Information Collection:

Report title: Application to Become a Savings and Loan Holding Company or to Acquire a Savings Association or Savings and Loan Holding Company.

Agency form number: FR LL-10(e).

OMB control number: 7100-0336.

Frequency: Event generated.

Respondents: Entities seeking prior approval to become or acquire a savings and loan holding company (SLHC).

Estimated number of respondents: 15.

Estimated average hours per response: Reporting, 60; Disclosure, 15.

Estimated annual burden hours: Reporting, 900; Disclosure, 15.

General description of report: The form collects information concerning certain proposed SLHC formations, acquisitions, and mergers. Specifically, the form collects financial and managerial information and information about the proposed transaction, the competitive effects of the proposal, and the impact of the transaction on the convenience and needs of the communities to be served. Applicants that file the FR LL-10(e) are also required to publish a notice in a newspaper of general circulation in the community(ies) in which the head office(s) of the applicant; its largest subsidiary savings association, if any; and each savings association to be directly or indirectly acquired are located.

Proposed revisions:

Standardized Form

The Board proposes to revise the FR LL-10(e) by adding a two-page standardized application and certification form. The application and certification form record identification and contact information for the applicant, whether the applicant is requesting confidential treatment for materials submitted, and a certification by a representative of the applicant that, among other things, the information provided in the application is accurate to the best of the signatory's knowledge and belief. Adding a certification page would be consistent with other similar Board application forms.

Filing Requirements for Informational Filings

The Board is also revising the FR LL-10(e) to include instructions on what information a filer must include in a notice regarding the reorganization of a newly-formed holding company pursuant to 12 CFR 238.12(a)(2). Under the Home Owners' Loan Act (HOLA) and Regulation LL, such a reorganization does not require prior approval from the Board. However, Regulation LL notes that an informational filing is required, and the revised instructions indicate that the filer must provide information regarding the Proposed Transaction and Financial and Managerial Information in such a situation.

CBLR Framework

Recent legislative and regulatory changes implemented the Community Bank Leverage Ratio (CBLR) framework in 2020, which, if utilized by a qualifying depository organizations, eliminates the requirement for the organization to track risk-weighted assets and report risk-based capital ratios.¹ In light of this change, the Board proposes to revise the FR LL-10(e) instructions to provide that applicants that have elected to utilize the CBLR framework would not be required to submit information related to risk-weighted assets or risk-based capital ratios. Similarly, if the savings association subsidiary of an applicant has elected to use the CBLR framework, the applicant would no longer be required to submit the FR LL-10(e) information related to the savings association's risk-weighted assets or risk-based capital ratios. The proposed revisions would simplify the reporting requirement with regard to those savings associations and SLHCs that have elected to utilize the CBLR framework.

Filings Pursuant to Section 238.11(f) of Regulation LL and Other Clarifications

Pursuant to section 238.11(f) of Regulation LL, a director or officer of an SLHC, or any individual who owns, controls, or holds the power to vote (or holds proxies representing) more than 25 percent of the voting shares of such an SLHC, must receive the approval of the Board prior to acquiring control of any savings association that is not a subsidiary of such SLHC. The Board proposes to modify the FR LL-10(e) instructions to explicitly provide that the FR LL-10(e) must be submitted for such an application.

The Board is also proposing a minor change that would correct a cross-reference to the Board's rules regarding the availability of information and to clarify that the informational requirements of the FR LL-10(e) are mandatory for all filers.

Legal authorization and confidentiality: The FR LL-10(e) is authorized by section 10(b)(2) of HOLA.² The FR LL-10(e) is required to obtain a benefit.

¹ See Regulatory Capital Rule: Capital Simplification for Qualifying Community Banking Organizations, 84 Fed. Reg. 61776 (Nov. 13, 2019). See also 12 CFR 217.12.

² 12 U.S.C. 1467a(b) (requiring SLHCs to register with the Board on such forms as it may prescribe and authorizing the Board to require reports from SLHCs containing such information concerning the operations of SLHCs and their subsidiaries as the Board may require).

The information contained on the FR LL-10(e) is not considered confidential unless an applicant requests confidential treatment in accordance with the Board's Rules Regarding Availability of Information.³ Requests for confidential treatment of information are reviewed on a case-by-case basis. Information provided on the FR LL-10(e) may be nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent, which is protected from disclosure pursuant to exemption 4 of the Freedom of Information Act (FOIA).⁴ Submissions of the FR LL-10(e) may also contain personnel and medical files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, which are protected under exemption 6 of the FOIA,⁵ or information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions, which are protected under exemption 8 of the FOIA.⁶

Board of Governors of the Federal Reserve System, January 24, 2022.

Ann Misback,

Secretary of the Board.

Billing Code 6210-01-P

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³ 12 CFR 261.17.

⁴ 5 U.S.C. 552(b)(4).

⁵ 5 U.S.C. 552(b)(6).

⁶ 5 U.S.C. 552(b)(8).